

# 1963 CONGRESSIONAL RECORD — SENATE

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Fixed assets: The median ratio of fixed assets to net worth showed a decline from 42.9 percent in 1961 to 36.5 percent in 1962. This appears in line with the decreased total debt and funded debt positions. The lower quartile group showed an increase in its median ratio over 1961. Even though the ratio increased, a satisfactory balance was maintained.

Failures drop: During 1962, 163 lumber manufacturers failed with total liabilities amounting to \$13,182,000. The number of failures was the lowest since 1956 when 162 failed with liabilities of \$9,744,000. Since 1949 the number of failures has fluctuated but a generally high level has predominated.

## Failures among lumber manufacturers, 1953-62

Year	Number	Liabilities
1953	94	\$6,352,000
1954	103	8,525,000
1955	118	9,034,000
1956	162	9,744,000
1957	255	13,523,000
1958	285	16,644,000
1959	289	8,941,000
1960	237	22,552,000
1961	194	14,300,000
1962	163	13,182,000

This record includes those businesses that ceased operations following assignment or bankruptcy; ceased with loss to creditors after such actions as execution, foreclosure, or attachment; voluntarily withdrew leaving unpaid obligations; were involved in court actions such as receivership, reorganization or arrangement; or voluntarily compromised with creditors.

Progress in 1963: To date production, orders and shipments have trailed last year's rate. This situation has been augmented by a long lumber strike. During the latter part of 1962 a devastating windstorm downed about 11 billion board feet of timber in Oregon. That amount was equal to a year's normal cut. Though most of the downed timber was expected to be salvaged, the full effect on prices and sales is still to be determined.

The leaders: While important concerns in the lumber industry had improved sales in 1962, tighter competition recorded mixed profit pictures. The following results reflect sales for all lines of the more diversified concerns.

## Manufacturers of lumber, fiscal 1962 (In millions)

	Sales	Profits
Weyerhaeuser Co., Tacoma, Wash.	543.1	39.0
Georgia-Pacific Corp., Portland, Oreg.	324.0	19.1
United States Plywood Corp., New York City	301.8	12.0
Evans Products Co., Plymouth, Mich.	117.3	2.2
Potlatch Forests, Inc., Lewiston, Idaho	109.1	2.1
American Forest Products Corp., San Francisco, Calif.	78.0	1.6
Hines (Edward) Lumber Co., Chicago, Ill.	62.9	1.0
Greif Bros. Cooperage Corp., Cleveland, Ohio	44.1	1.7

Radio tables: In the radio tables on page 2, each group of ratios carries three sets of figures. The top figure is the upper quartile, the center figure is the median and the bottom is the lower quartile.

Yearend financial statements were selected from a sampling of concerns whose tangible net worth, with few exceptions, exceeded \$100,000. These financial statements are those which appear in the Dun & Bradstreet credit reports on these businesses.

The purpose of these interquartile ranges is to show the upper and lower limit area without reflecting the extremes either at the top or the bottom of this series. For ex-

ample when the interquartile ranges and the median were computed for the ratio of current assets to current debt for the lumber industry, the sample consisted of 75 concerns. The upper quartile of 6.27 times indicated the relationship reflected by the concern which was 19th down from the ratio for the highest or top company. The median of 3.09 times was the ratio shown by the middle or 38th concern. The lower quartile of 1.84 times was determined by the 19th concern from the bottom, this being a quarter up from the 75th concern at the bottom.

## CENTRAL INTELLIGENCE AGENCY

Mr. MORSE. Mr. President, for some time I have urged the appointment of a congressional watchdog committee over the CIA. In the Washington Post this morning appears an editorial entitled "The CIA Again." I ask that it be printed in the Record.

It speaks for itself. I reiterate my recommendation that the CIA should be brought under the check of a congressional watchdog committee.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, Sept. 10, 1963]

### THE CIA AGAIN

The United States has been understandably embarrassed by the disclosure that the CIA has been secretly aiding the South Vietnamese special forces that conducted the raids on Buddhist pagodas. Yet this is, unfortunately, not the first time the Government has been made to look foolish by the misnamed Central Intelligence Agency. And the trouble is precisely that the CIA does not confine itself to gathering intelligence but has been given operational responsibility for tasks for which it has debatable competence.

One might have supposed that the Bay of Pigs debacle would have alerted the White House to the risks of allowing an intelligence agency to sit in judgment on its own operational missions. The temptation is strong to tailor intelligence to support preconceived opinion. Moreover, when the CIA invests its prestige in supporting a given course, there is an all-too-human tendency to seek vindication for a commitment of money and judgment.

This seems to lie behind the present muddle over CIA misadventures in Saigon. The Agency's mission chief in that country had established close and cordial relations with Ngo Dinh Nhu, President Diem's brother and sponsor of the special forces. Some \$3 million a year was earmarked for helping the special forces. But reportedly the CIA had no advance warning that the forces would invade the pagodas and the initial intelligence reactions was confused—contributing to the confusion in Washington over what transpired that fateful day.

Nevertheless, the payments evidently continued in the face of Government policy to the contrary, and the administration has been reduced to a stutter in trying to explain what has happened. Ironically, notwithstanding the CIA subsidy, the pro-Diem press in Saigon has been bitterly attacking the American Agency for allegedly taking part in an attempted coup against the regime.

Let it be said that the CIA contains men of undoubted skill and patriotism. Let it also be said that much of the American problem in Saigon springs out of circumstances that not even the wisest of men could easily meet. But some self-inflicted wounds form part of the heartbreaking calamity. In the past, there has been a distressing tendency to subordinate political to military considerations and to avert the eyes from unpleasant realities. The CIA,

while not alone in this failing, was unable to provide a detached intelligence corrective because its own agents were enmeshed in the operations of the regime.

There are many rueful lessons in the South Vietnamese tragedy, and not the least of them is that it makes sense in every respect to divorce intelligence from operations that belong in the military sphere. It would be heartening if the present embarrassment were turned to useful purpose by effecting a real reorganization of the CIA. The opportunity should have been grasped after the Cuban invasion; if nothing is done now, both the country and the Agency may be needlessly humiliated again.

## ALLEGED FAVORITISM BY CIVIL AERONAUTICS BOARD

Mr. MORSE. Mr. President, a disturbing article appears in the Washington Post entitled "CAB Is Accused of Airline Favoritism." If this article is sound in its facts, I recommend an immediate Senate investigation of the policies and practices of the CAB.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Sept. 13, 1963]

### CAB IS ACCUSED OF AIRLINE FAVORITISM

(By John P. MacKenzie)

The Justice Department accused the Civil Aeronautics Board yesterday of favoring one of the Nation's strongest airlines at the expense of the weakest carrier and the entire U.S. transportation system.

In a strongly worded petition filed with the CAB, the Department's antitrust attorneys asked for reconsideration, on broad policy grounds, of the 3-to-2 decision to strip Northeast Airlines of its Florida routes.

That decision, which has brought the ailing Boston-based carrier to the brink of bankruptcy, has been under massive attack by the entire New England congressional delegation, led by Senator Edward M. Kennedy, Democrat, of Massachusetts and by Senator Leverett Saltonstall, Republican, of Massachusetts.

Although the legislators have stressed the impact of the decision on regional employment, the Justice Department disavowed any interest in whether Northeast should get the routes. The petition said the choice of airline was "secondary" to the CAB's ruling that there was no need for a third carrier.

But the petition said the CAB showed "overanxious solicitude" for Eastern Air Lines, one of the "big four" trunk carriers, at the "sacrifice" of weak Northeast. Unless the decision is changed, the petition said, "eventually the only trunk carriers remaining will be the 'big four'."

The CAB decision left Eastern and National Airlines to operate the New York-Florida routes on grounds that traffic had failed to grow as expected. The petition said the opinion was "based upon the false premise of a static and frozen industry."

"The air transportation industry is still young and vigorous. The traffic potential is still almost untouched, with great numbers of Americans yet to enjoy their first flight," the petition said.

Sharply criticized in the petition was a CAB planning staff proposal for two strong carriers in each major market as a jet-age goal.

## RUSSIAN VESSEL HALTED AFTER FISHING INTERFERENCE

Mr. BARTLETT. Mr. President, 2 days ago the Coast Guard stopped a Rus-